GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agriculture & Cooperation Department - WCL of ₹5,000.00 crore (Rupees Five Thousand Crore only) from National Cooperative Development Corporation (NCDC) through Andhra Pradesh State Cooperative Marketing Federation Ltd. (AP MARKFED) to meet working capital requirements for paddy procurement operations during KMS 2025–26, duly extending Government guarantee - Authorized - Orders - Issued.

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AGRICULTURE & COOPERATION (MKTG-III) DEPARTMENT

G.O.MS.No. 56 Dated: 24-10-2025

Read the following:-

1. G.O.Ms.No.08, CA, F & CS (CS.I) Department, Dated:15.07.2024.
2. G.O.Ms.No.37, Agri. & Coop (MKTG.III) Department, Dated:19.07.2024.
3. G.O.Ms.No.93, Agri. & Coop (MKTG.III) Department, Dated:26.10.2024.
4. G.O.Ms.No.03, Agri. & Coop (MKTG.III) Department, Dated:20.01.2025.
5. G.O.Ms.No.25, Agri. & Coop (MKTG.III) Department, Dated:04.07.2025.
6. G.O.Rt.No.801, Agri. & Coop (MKTG.III) Department, Dated:12.09.2025.
7. G.O.Rt.No.53 , Agri. & Coop (MKTG.III) Department, dt:07.10.2025.
8. From the Civil Supplies Dept., e file Comp.No.1985125.

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ORDER:

In the G.O. 1st read above, Government have issued orders for appointing Andhra Pradesh State Cooperative Marketing Federation Ltd. (AP Markfed) as an additional agency for paddy procurement for the ensuing KMS 2024-25 in all Districts in the State to assist the A.P. State Civil Supplies Corporation Ltd., subject to the procurement being done at no additional cost to that currently being incurred.

2 In the reference 2nd to 5th read above, Government have extended Guarantee for availing of fresh loan of Rs.7609.00 Crores (Rupees Seven Thousand Six Hundred and Nine Crore Only) to AP Markfed for procurement of Paddy in the State with Andhra Pradesh State Civil Supplies Corporation Ltd., being additional procurement agency as working capital assistance under direct funding of National Cooperative Development Corporation (NCDC) and transfer the same as inter-corporate loan to Andhra Pradesh State Civil Supplies Corporation Ltd, in order to utilize the said amount for making paddy farmer payments for KMS 2024-25 also permits waiver of Government Guarantee Commission.

3. In the reference 7th read above, Government have extended Guarantee for availing the working capital loan of ₹1,000 crore(Rupees One Thousand Crore only) from National Cooperative Development Corporation (NCDC) through Andhra Pradesh State Cooperative Marketing Federation Ltd. (AP MARKFED) and transfer the amount to AP State Civil Supplies Corporation Ltd. (APSCSCL), Vijayawada, as inter-corporate loan to clear paddy procurement dues, duly extending Government guarantee, subject to the conditions mentioned in the reference above.

4. In the reference 8th read above, the Commissioner Civil Supplies and Ex-officio, Secretary has requested the Government to avail fresh working capital loan of ₹5,000.00 crore (Rupees Five Thousand Crore only) from NCDC through Markfed with Government guarantee and transfer the amount to APSCSCL as inter-corporate loan to meet working capital requirements for paddy procurement operations during KMS 2025–26.

5. Government after careful examination of the proposal, hereby authorized to avail fresh working capital loan of ₹5,000.00 crore (Rupees Five Thousand Crore only) from National Cooperative Development Corporation (NCDC) through Andhra Pradesh State Cooperative Marketing Federation Ltd. (AP MARKFED) and transfer the amount to AP State Civil Supplies Corporation Ltd. (APSCSCL), Vijayawada, as inter-corporate loan to meet working capital requirements for paddy procurement operations during KMS 2025–26, subject to the following conditions:

(PTO)

(i) The guarantee will be valid for the entire tenure of the loan period.
(ii) The guarantee is extended for the principal and interest part.
(iii) AP Markfed has to negotiate the rate of interest and ensure to bring it at least on par with MCLR rates. Further, to ensure a zero foreclosure charges clause in the agreement.
(iv) Submission of repayment schedule of principal and interest along with the details such as interest rate, tenure, moratorium period, etc., and conditions, if any.
(v) The Govt. Guarantee shall come into force only in the event of failure to pay the obligations to the lending institution by the AP Markfed.
(vi) The deed shall not be valid unless it is signed by the authorized officer of the Finance Dept., Govt. of AP.
(vii) The interest payment should be made by APSCSCL every month to NCDC through AP MARKFED and the repayment of the Principle amount should be as per the terms and conditions of NCDC,
(viii) AP MARKFED retains 0.55 percent in the form of commission,
(xi) The APSCSCL has to pay 2% guarantee commission on the guaranteed amount.

6. The Managing Director, Andhra Pradesh State Cooperative Marketing Federation Ltd., Vijayawada shall take necessary action in the matter.

7. This order is issued with the concurrence of Finance Department vide, Comp. No.:1985125, Note#278(Para 354), Dated:23.10.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.RAJSEKHAR
EX-OFFICIO SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Managing Director, AP Markfed, Vijayawada.
The Consumer Affairs, Food & Civil Supplies (CS.I) Dept., A.P. Secretariat.
Copy to:
The Finance (FMU- A&C) Department, A.P. Secretariat.
The Commissioner for Cooperation & Registrar of Coop. Societies, AP Guntur.
The P.S to Secretary to Hon’ble Chief Minister, CMO, A.P. Secretariat.
The PS to Hon'ble Minister for Agri. & Coop., A.P. Secretariat.
The P.S to Ex-Officio Spl. Chief Secy. to Govt., A & C Dept., A.P. Secretariat.
Sf/Sc.

//FORWARDED::BY ORDER//

SECTION OFFICER